

## 501 - FLEET MAINTENANCE FUND

### BUDGET OVERVIEW

(\$ In Millions)					
	2005-2006 Budget	2007-2008 Preliminary Budget	2007-2008 Council Adopted Budget	Difference between Preliminary and Council Adopted Budget	% change
Total Budget	\$9.1	\$10.6	\$10.5	(\$0.1)	-0.6%

Note: May be slightly off due to rounding.

### COUNCIL'S FINAL CHANGES

Council did not make any changes to the Fleet fund's Preliminary Budget except for adopting \$62,722 in technical changes to correct the interfund transfers for fleet maintenance services.

### COST DRIVERS

#### Salaries and Benefits

- Market and merit increases of 4.5% in 2007 and 2008. NOTE: Should not be construed as City's negotiating position.
- Medical premium increases of 13% per year.
- PERS rate increases of 132% between 2006 and 2008, as approved by the State Legislature.
- Elimination of .5 FTE due to reorganization.

#### Supplies increased

- Inflationary increases of 2.6% and 2.5% for 2007 and 2008; this is the first time in seven years funds have received a small adjustment for inflation.
- 10% increase included in the budget to reflect higher fuel costs.

#### Other services and charges

- Increase in external repairs and maintenance of specialized equipment.

#### Capital Outlays

- Purchases of vehicles according to replacement schedule.

### SYNOPSIS OF PROPOSED PROGRAMS INCLUDED IN THE PRELIMINARY BUDGET

N/A

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WHAT DO WE DO?	WHY DO WE DO IT?	HOW MUCH DOES IT COST?		IS IT LEGALLY MANDATED, CORE, OR VALUE ADDED SERVICE?
		2005-2006	2007-2008	
FLEET MAINTENANCE AND OPERATIONS		\$ 9,091,569	\$10,488,526	
Maintain and repair all City maintenance equipment, vehicles and small engine equipment, except those maintained by the Fire Dept.	Provide safe, efficient and reliable vehicles for the City.			Core service
Work with all City departments on vehicle needs and specifications while managing a database of all vehicle repairs, expenses and tracking of preventative maintenance.	Allows the mechanics to accurately determine vehicle maintenance needs.			Core service
Continual analysis of each vehicle’s maintenance and mileage to determine vehicle replacements.	Ensure vehicles are replaced before their cost to own exceeds their value.			Core service
Manage and track fuel usage for all city departments.	Ensure proper types and levels of fuel are on hand for use in the vehicles and equipment.			Core service
Manage an inventory of maintenance and repair supplies.	Ensure supplies are on hand for use in the vehicles and equipment.			Core service
Perform required emission testing on all the vehicles on an annual basis.	Comply with state law.			Legally mandated
Perform warranty work and body work, as needed.	Maintain vehicles at the correct levels of operation.			Core service
Determine each department’s allocation of costs for depreciation and budgeting purposes.	Provide accurate fund allocation to each department.			Core service
TOTAL FLEET MAINTENANCE AND OPERATIONS		\$ 9,091,569	\$10,488,526	

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### REVENUE SUMMARY BY OBJECT

<b>FLEET MAINTENANCE</b>	<b>2005-2006 Budget</b>	<b>2007-2008 Budget</b>	<b>Budget to Budget Difference</b>	<b>2-year % change</b>	<b>1-year % change</b>
Beginning Fund Balance	\$5,163,462	\$5,132,262	(\$31,200)	-0.6%	-0.3%
Equipment Repair	\$54,568	\$110,291	\$55,723	102.1%	51.1%
Equipment/Vehicle Leases	\$4,000	\$4,000	\$0	0.0%	0.0%
Insurance	\$448,202	\$485,083	\$36,881	8.2%	4.1%
Investment Interest	\$209,826	\$400,000	\$190,174	90.6%	45.3%
Proceeds-Sale of Fixed Asset	\$68,999	\$219,214	\$150,215	217.7%	108.9%
Replacement Reserve	\$3,142,512	\$4,137,676	\$995,164	31.7%	15.8%
<b>Grand Total</b>	<b>\$9,091,569</b>	<b>\$10,488,526</b>	<b>\$1,396,957</b>	<b>15.4%</b>	<b>7.7%</b>

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### EXPENDITURE SUMMARY BY OBJECT

FLEET MAINTENANCE	2005-2006 Budget	2007-2008 Budget	Budget to Budget Difference	2-year % change	1-year % change
<b>Salaries</b>					
Salaries and Wages	\$803,516	\$808,186	\$4,670	0.6%	0.3%
Overtime	\$3,000	\$3,000	\$0	0.0%	0.0%
Supplemental Help	\$13,000	\$15,000	\$2,000	15.4%	7.7%
Other Compensation	\$9,720	\$8,000	(\$1,720)	-17.7%	-8.8%
<b>Salaries Total</b>	<b>\$829,236</b>	<b>\$834,186</b>	<b>\$4,950</b>	<b>0.6%</b>	<b>0.3%</b>
<b>Benefits</b>					
MEBT	\$61,381	\$61,560	\$179	0.3%	0.1%
PERS	\$11,269	\$53,809	\$42,540	377.5%	188.7%
Benefits - Medical Premiums	\$122,724	\$154,298	\$31,574	25.7%	12.9%
Benefits - Worker's Compensation	\$18,888	\$23,990	\$5,102	27.0%	13.5%
Other Benefits	\$3,836	\$3,698	(\$138)	-3.6%	-1.8%
<b>Benefits Total</b>	<b>\$218,098</b>	<b>\$297,355</b>	<b>\$79,257</b>	<b>36.3%</b>	<b>18.2%</b>
<b>Supplies</b>					
Fuel	\$485,547	\$653,428	\$167,881	34.6%	17.3%
Small Tools/Equip/Hardw/Softw	\$22,000	\$27,767	\$5,767	26.2%	13.1%
Office and Other Supplies	\$2,000	\$2,000	\$0	0.0%	0.0%
Repairs/Maintenance Supplies	\$400,677	\$254,500	(\$146,177)	-36.5%	-18.2%
<b>Supplies Total</b>	<b>\$910,224</b>	<b>\$937,695</b>	<b>\$27,471</b>	<b>3.0%</b>	<b>1.5%</b>
<b>Professional Services</b>					
Professional Services	\$6,000	\$7,500	\$1,500	25.0%	12.5%
Communications	\$1,880	\$1,963	\$83	4.4%	2.2%
Travel	\$11,000	\$11,000	\$0	0.0%	0.0%
Utilities	\$5,000	\$5,000	\$0	0.0%	0.0%
Repairs - Outside	\$144,000	\$180,500	\$36,500	25.3%	12.7%
Other Services and Charges	\$41,600	\$50,600	\$9,000	21.6%	10.8%
<b>Professional Services Total</b>	<b>\$209,480</b>	<b>\$256,563</b>	<b>\$47,083</b>	<b>22.5%</b>	<b>11.2%</b>
<b>Interfund Transfers</b>					
Interfund - Info Technology	\$0	\$66,132	\$66,132	n/a	n/a
Interfund - Insurance Premiums	\$448,114	\$497,554	\$49,440	11.0%	5.5%
<b>Interfund Transfers Total</b>	<b>\$448,114</b>	<b>\$563,686</b>	<b>\$115,572</b>	<b>25.8%</b>	<b>12.9%</b>
<b>Capital Purchases Total</b>	<b>\$1,427,849</b>	<b>\$2,567,533</b>	<b>\$1,139,684</b>	<b>79.8%</b>	<b>39.9%</b>
<b>Ending Fund Balance</b>					
Ending Fund Balance	\$5,022,200	\$5,031,508	\$9,308	0.2%	0.1%
Salary and Benefit Contingency	\$26,368	\$0	(\$26,368)	-100.0%	-50.0%
<b>Ending Fund Balance Total</b>	<b>\$5,048,568</b>	<b>\$5,031,508</b>	<b>(\$17,060)</b>	<b>-0.3%</b>	<b>-0.2%</b>
<b>Grand Total</b>	<b>\$9,091,569</b>	<b>\$10,488,526</b>	<b>\$1,396,957</b>	<b>15.4%</b>	<b>7.7%</b>